



Fiscal Year 2008 Appropriations for the Nursing Workforce Development Programs
and the National Institute of Nursing Research
U.S. House Appropriations Subcommittee on Labor, Health and Human Services and Education
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The American Association of Colleges of Nursing (AACN) respectfully submits this statement highlighting funding priorities for nursing education and research programs in FY 2008. AACN represents more than 600 schools of nursing at public and private universities and senior colleges with baccalaureate and graduate nursing programs that include over 240,000 students and 12,000 faculty members. These institutions are responsible for educating almost half of our nation's registered nurses (RNs) and all of the nurse faculty and researchers. Nursing represents the largest health profession, with approximately 2.9 million dedicated, trusted professionals delivering primary, acute, and chronic care to millions of Americans.

The Nationwide Nursing Shortage

For nearly a decade, our country's health care system has been negatively impacted by a shortage of RNs. In 2002, the Joint Commission on Accreditation of Healthcare Organizations noted that the nursing shortage contributed to nearly a quarter of all unexpected incidents that adversely affect hospitalized patients. A more recent comprehensive analysis published in the March 2006 issue of *Nursing Economic\$* found that the majority of nurses reported that the RN shortage is negatively impacting patient care and undermining the quality of care goals set by the Institute of Medicine and the National Quality Forum. Unfortunately, reports reveal that the nursing shortage is not expected to diminish in the foreseeable future. The Bureau of Labor Statistics projects that more than 1.2 million new and replacement nurses will be needed by 2014. Government analysts further project that more than 703,000 new RN positions will be created through 2014, which will account for two-fifths of all new jobs in the health care sector. In the January/February 2007 issue of *Health Affairs*, Dr. David I. Auerbach and colleagues note that the nursing shortage is still expected to increase by three times the current rate over the next 13 years.

A number of contributing factors add to the complexity and duration of the shortage. Within the next twenty years, there will be a wave of nurses retiring from the profession. According to the *2004 National Sample Survey of Registered Nurses* released in February 2007 by the federal Division of Nursing, the average age of the RN population in March 2004 was 46.8 years of age, up from 45.2 in 2000. With many nurses nearing the age of retirement, more nurses must enter the pipeline. However, the nursing profession is not growing to meet the demand of the shortage. While *The National Sample Survey of Registered Nurses* has indicated that the total RN population has increased at every 4-year interval since 1980, the growth from 2000 to 2004 was relatively low. The total RN population increased by only 7.9 percent in 2004. Earlier report intervals noted that the RN population grew by 14.2 percent between 1992 and 1996.

Yet, the inability of nursing schools to educate more RNs is the most urgent contributing factor that must be addressed in order to reverse the shortage and ensure that every patient receives the safest, highest

quality health care. According to AACN's report on *2006-2007 Enrollment and Graduations in Baccalaureate and Graduate Programs in Nursing*, U.S. nursing schools turned away thousands of qualified applicants due to an insufficient number of faculty, clinical sites, classroom space, clinical preceptors, and budget constraints. Federal support must continue to play an integral role in our nation's efforts to address the nursing and nurse faculty shortages as well as the constraints encountered by nursing's educational system.

Nursing Workforce Development Programs: Addressing the Shortage

Acknowledging the severity of the nation's nursing shortage, Congress passed *The Nurse Reinvestment Act of 2002*. This legislation created new programs and expanded existing Nursing Workforce Development authorities. Administered by Health Resources and Services Administration (HRSA) under Title VIII of the Public Health Service Act, these programs focus on the supply and distribution of RNs across the country. Programs support individual students in their nursing studies through loans, scholarships, and loan repayment programs. Title VIII programs stimulate innovation in nursing practice and bolster nursing education throughout the continuum, from entry-level preparation through graduate study. **They are the largest source of federal funding for nursing education** assisting students, schools of nursing, and health systems in their efforts to educate, recruit, and retain RNs and nurse faculty. **In FY 2006, these programs helped to educate over 48,000 nursing students and nurses through individual and programmatic support.**

However, funding for these authorities is insufficient to address the severity of the nursing and nurse faculty shortage. Currently, Nursing Workforce Development Programs receive \$149.68 million, the same funding level as in FY 2006. During the nursing shortage in 1974, Congress appropriated \$153 million for nursing education programs. Translated into today's dollars, that appropriation would total \$632 million, more than four times the current level. To fully meet the educational and practice demands of today's nursing shortage it will take billions of dollars.

AACN respectfully requests \$200 million for Title VIII Nursing Workforce Development Programs in FY 2008, an additional \$50.32 million over the FY 2007 level. New monies would expand nursing education, recruitment, and retention efforts to help resolve all aspects contributing to the nursing shortage.

The Nursing Educational System Cannot Continue to Meet the Demand

The approximately 1,500 schools of nursing nationwide have been working diligently to expand enrollments. AACN's 2006-2007 annual survey of 628 schools reveals that enrollments increased by 7.6 percent in entry-level baccalaureate nursing programs. This makes the sixth consecutive year of enrollment increases that can be attributed to a combination of federal support through Nursing Workforce Development Programs, private sector marketing efforts, public-private partnerships providing additional resources to expand capacity of nursing programs, and state legislation targeting funds towards nursing scholarships and loan repayment. While essential and important, these efforts have not fully met the increasing demand for RNs.

HRSA officials stated in an April 2006 report that there must be a 90 percent increase in graduations from U.S. nursing programs in order to meet the demand for RN services. Unfortunately, schools of nursing turned away 42,866 qualified applications to baccalaureate and graduate programs in 2006. Almost three quarters (71 percent) of the nursing schools responding to the AACN survey pointed to faculty shortages as a reason for not accepting all qualified applicants into nursing programs.

Nurse Faculty Shortage

AACN believes that the most effective strategy to resolve the nursing shortage is addressing the underlying nurse faculty shortage, but the demand for nurse faculty far exceeds the rate at which nursing schools can educate them. A *Special Survey on Vacant Faculty Positions* released by AACN in July 2006, reported a total of 637 faculty vacancies (8 percent vacancy rate) were identified at 329 nursing schools with baccalaureate and/or graduate programs across the country (almost 2 vacancies at each school of nursing). Most of the vacancies (53.7 percent) were faculty positions requiring a doctoral degree. Besides the vacancies, schools cited the need to create an additional 55 faculty positions to accommodate student demand. This presents a challenge when HRSA reports that just 13 percent of the RN workforce holds either a master's or doctoral degree, credentials required to teach.

Nursing schools across the nation are having difficulty educating and recruiting additional nurse faculty. Primarily due to the faculty shortage, AACN found that in 2006, 3,306 qualified applicants were turned away from master's programs and 299 qualified applicants were turned away from doctoral programs. Additionally, potential faculty members graduating from schools of nursing are slow to rise. In 2006, graduations from research-focused doctoral nursing programs were up by only 1.4 percent or 6 graduates from the 2005-2006 academic year. Complicating the problem further, those that are graduating from schools of nursing with a graduate degree are not choosing a career in education. An unpublished AACN study on employment plans found that almost a quarter of all graduates from doctoral nursing programs do not plan to work in academic settings. Higher compensation in clinical and private sector settings lures current and potential nurse educators away from the classroom. For example, the average salary of a nurse practitioner in an emergency department was \$84,835, according to the 2005 *National Salary Survey of Nurse Practitioners*. Conversely, the average salary for a nurse practitioner in academia was only \$66,925, 26.8 percent less.

Furthermore, the demand for nurse faculty will continue to grow in the very near future as schools of nursing will experience an increase in faculty retirement. According to an article published in the March/April 2002 issue of *Nursing Outlook* titled *The Shortage of Doctorally Prepared Nursing Faculty: A Dire Situation*, the average age of nurse faculty at retirement is 62.5 years. With the average age of doctorally-prepared faculty currently 53.5 years, a wave of retirements is expected within the next ten years. In fact, the authors project that between 200 and 300 doctorally-prepared faculty will be eligible for retirement each year from 2003 through 2012, and between 220-280 master's- prepared nurse faculty will be eligible for retirement between 2012 and 2018. **Without sufficient nurse faculty, schools of nursing cannot expand enrollments.**

Reversing the Nurse Faculty Shortage and Nursing Educational Barriers

The Nursing Workforce Development programs are essential in not only educating nurses, but more critically in funding the education of additional nurse faculty and expanding the infrastructures for schools of nursing. In FY 2008, AACN recommends increasing funding for graduate education through the Advanced Education Nursing Grants (Sec. 811) and bolstering funds for the Nurse Faculty Loan Program (Sec. 846A) and Nurse Education, Practice, and Retention Grants (Sec. 831). These programs are essential in educating nurses, but more importantly in funding the education of additional nurse faculty and allowing schools of nursing to increase their student capacity.

Nurse Faculty Loan Program (Sec. 846A) Designed to increase the number of nurse faculty, schools of nursing receive grants to create a loan fund through the Nurse Faculty Loan Program. To be eligible for these loans, students must pursue full-time study for a master's or doctoral degree. In exchange for

teaching at a school of nursing, loan recipients will have up to 85 percent of their educational loans cancelled over a four-year period. A student may receive a maximum loan award of \$30,000 per academic year for tuition, books, fees, laboratory expenses, and other reasonable educational costs. In FY 2006, 67 new grants and 26 continuing grants were awarded to schools of nursing, up from 66 in FY 2005 and 61 in FY 2004. These grants are projected to assist 475 future nurse educators. Unfortunately, in FY 2006 schools of nursing requested over three times the funds available to educate additional nurse faculty. **In FY 2007, \$4.77 million was appropriated.** If the current funding was doubled to almost \$10 million, based on FY 2006 projections, colleges of nursing could educate over 900 future faculty members. Further, with an average faculty to student ratio of 1:10, those 900 faculty members could teach an additional 9,000 nurses each year.

Advanced Education Nursing Program (Sec. 811) These grants support the majority of schools of nursing preparing graduate-level nurses, some of whom become faculty. **Receiving \$57.06 million in FY 2007**, this grant program helps schools of nursing, academic health centers, and other nonprofit entities improve the education and practice of nurse practitioners, nurse-midwives, nurse anesthetists, nurse educators, nurse administrators, public health nurses, and clinical nurse specialists. Out of the 114 applications reviewed for program grants in FY 2006, 45 new grants were awarded and 112 previously awarded grants were continued, totaling 157 – the same number as in FY 2004 and FY 2005. In addition, 564 schools of nursing received traineeship grants, which in turn directly supported 9,000 individual student nurses. In fact, 2,105 nurses who received support from AEN grants in FY 2006 are now practicing in underserved areas.

Nurse Education, Practice, and Retention Grants (Sec. 831) These grants help schools of nursing, academic health centers, nurse-managed health centers, state and local governments, and health care facilities strengthen programs that provide nursing education. These programs address the structural and educational capacity issues faced by schools of nursing. The Education Grants expand enrollments in baccalaureate nursing programs. In addition, they develop internship and residency programs to enhance mentoring and specialty training as well as provide for new technology in education, including distance learning. One of the functions under the Practice Grants is to expand practice arrangements in non-institutional settings to improve primary health care in medically underserved communities. A purpose of the Retention Grants is to maintain the Career Ladder program supporting nursing education efforts assisting individuals in obtaining the education necessary to either enter the profession or to advance within it. In FY 2006, 198 applications were reviewed; from those, 38 new grants and 100 continuation grants were awarded, totaling 138.

Nursing Student Loan Program (Sec. 835) This revolving loan fund was established in 1964 to specifically target nursing workforce shortages. The Nursing Student Loan (NSL) program provides participating undergraduate or graduate nursing students with a maximum of \$13,000 in loans at five percent interest. Schools of nursing participating in the NSL select recipients and determine the level of assistance provided, with a preference for those with financial need. New loans are made as existing loans are repaid. **This program has not received additional appropriations since 1983.** However, **in FY 2005, the NSL provided financial assistance to 17,240 nursing students.** In FY 2005, Sec. 222 of the *Consolidated Appropriations Act of 2005* (P.L. 108-447) included language which stated: "The unobligated balance of the Nursing Student Loan program authorized by section 835 of the Public Health Services Act is rescinded." As a result, the NSL gave back \$6.1 million to the U.S. Treasury in July 2005. In previous years, those funds were redistributed among participating institutions, increasing the amount of possible

loans. A similar provision in the FY 2006 appropriations law will force the NSL to return even more funds to the Treasury that instead could have assisted nursing students in completing their education.

National Institute of Nursing Research

One of the 27 Institutes and Centers at the National Institutes of Health (NIH), the efforts of the National Institute of Nursing Research (NINR) improve patient care and foster advances in nursing and other health professions' practice. These practices must be constantly updated and validated based on rigorous, peer-reviewed research. The outcomes-based findings derived from NINR research are important to the future of the health care system and its ability to deliver safe, cost-effective, and high quality care. Through grants, research training, and interdisciplinary collaborations, NINR addresses care management of patients during illness and recovery, reduction of risks for disease and disability, promotion of healthy lifestyles, enhancement of quality of life in those with chronic illness, and care for individuals at the end of life. To advance this research, **AACN requests a funding level of \$150 million in FY 2008**, an additional \$12.66 million over **the \$137.34 million NINR received in FY 2007**.

NINR Addresses the Need for Translational and Clinical Research

NINR emphasizes translational research, the means by which basic findings relating to behavior, molecules, and genes are tested in the clinical setting and translated into innovative medical practices and improvements in public health. Under the framework of the Roadmap Initiative, NINR and nurse researchers are addressing the development of new interdisciplinary research teams and enhanced clinical research to move the overall NIH portfolio of social, behavioral, and medical research forward in this coordinated and cohesive effort.

NINR Addresses the Shortage of Nurse Researchers and Faculty

NINR allocates seven percent of its budget, a high proportion when compared to other NIH institutes, to research training to help develop the pool of nurse researchers. In FY 2005, NINR training dollars supported 80 individual researchers and provided 155 institutional awards, which in turn supported a number of nurse researchers at each site. Since nurse researchers often serve as faculty members for colleges of nursing, they are actively educating our next generation of RNs.

Conclusion

AACN acknowledges the fiscal challenges that the Subcommittee and the entire Congress must work within. However, the nursing shortage can no longer be explained by the need to simply increase the number of nurses in the workforce. A demand for nurse educators weighs heavily on the ability to increase the pool of future nurses. This element of the shortage has created a negative chain reaction—without more nurse faculty, additional nurses cannot be educated, and without more nurses the shortage will continue. Ultimately, this chain reaction will continue to place the health care delivery system at risk. Title VIII programs can help to break this chain. These authorities provide a dedicated, long-term vision for educating the new nursing workforce. Yet, they must receive additional funding to be effective.

AACN respectfully requests **\$200 million for Title VIII programs in FY 2008**. Additional funding for these programs will assist schools of nursing to expand their programs, educate more nurse faculty, increase the number of practicing RNs, and ultimately improve the patient care provided in our health care system. In addition, AACN requests **\$150 million for NINR** so that nurse researchers can continue their work to improve the nursing care provided to all patients.